

**Moab Irrigation Company
P.O. Box 385
Moab, Utah 84532**

March 10, 2010

State of Utah
Division of Water Rights
P.O. Box 718
Price, Utah 84501-0718

Re: February 23, 2010 Letter

Mr. Marc Stilson:

Per your request the following response is provided:


Value of Water for Change Applications – At a February 17th board meeting, the Board of Directors passed a motion to continue using the 4.23 value for change applications as. This number has been in use since the agreement was made with the Water Conservancy District in 1978 and we feel it should continue as long as the agreement is in force.

Value of Water for Distribution – The 4.23 value was determined in 1978 when the company had more shares outstanding. Currently the company has 1081.06 shares on the ledger. Based on the agreement with the District, if we divide 4600 ac/ft by 1081.06 we get a distribution value of 4.255. This number should be used for calculating distribution this summer. The difference in the ac/ft between 4600 and the over all Company's water right of 5353.4 should be shown in the distribution plan as being used by the District at Sheley Tunnel.

The Company has developed the attached Water Distribution Plan for 2010. It addresses what to do if water flows fall below 19.33 and what to do about shareholders who own cattle.

If you have any further questions, please feel free to contact us at any time.

Sincerely,



Moab Irrigation Co. President

Attachment:
2010 Water Distribution Plan

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**Water Distribution Plan
Moab Irrigation Company
For Year 2010**

3/10/2010

Distribution of Water -

The share breakdown for the 2010 water season is show below, based on the Declaration Notices received. The company has 1081.06 shares.

Wilson Mesa Ditch	64.160 shares
Horse Creek Ditch	5.000 shares
South Mesa Ditch	183.122 shares
Ken's Lake	371.227 shares
Div #1 North Ditch 1	151.719 shares
Div #2 Center Ditch 2	164.507 shares
Div #5 South Ditch 3	91.296 shares
Wells and Springs	28.250 shares
Winter Water	21.780 shares

Mountain Diversions (Horse Creek, South Mesa, Wilson Mesa) will take their water for 204 days starting April 11th and going to October 31st. The water is to be set at a constant flow for every day of the time period for all shareholders at these diversions. Shareholders with cattle are to plan to provide water to their animals based on the continuous flow being received. There will be no extra water if they run short.

Lower Valley Ditches (1,2, and 3) will take their water for 236 days starting March 15th and going to November 5th at a constant flow for every day of the time period for all shareholders at these diversions. Shareholders with cattle are to plan to provide water to their animals based on the continuous flow being received. There will be no extra water if they run short.

The District will take their water on a 365 day schedule with a variable flow to take advantage of winter water and higher spring amounts.

If water flows drop below 20.3545 cfs, the following guidance is to be used in this order -

- 1) The District will utilize the following options of their choice to satisfy the 4600 ac/ft obligation of the agreement with the Company. These options may include turning on wells, releasing more water down Mill Creek, or utilizing storage water. This will continue until they are no longer able to meet the agreement obligation of 4600 ac/ft distribution to company shares. The District is expected to do everything in their power to meet this obligation before further reductions

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are approved. All reductions to shareholders must be approved though the President of the Moab Irrigation Company before being implemented.

- 2) The mountain shares and the lake shares will be equally reduced proportionally as appropriate to maintain minimum requirements of stream flows for the main fork of Mill Creek (currently set at 3.0cfs). Note: some adjustment between mountain and lake shares may be necessary depending on the water levels of the lake.
- 3) The lower valley diversions will be reduced proportionally as needed to utilize the available water as provided by the North Fork of Mill Creek, the main fork of Mill Creek's minimum flow requirement, and the five District wells all working at full capacity.

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